

**STATE OF WASHINGTON
OFFICE OF THE INSURANCE
COMMISSIONER**



**FINANCIAL EXAMINATION
OF
COLUMBIA UNITED PROVIDERS
VANCOUVER, WA
NAIC CODE 47047
DECEMBER 31, 2002**

Exhibit A

Order No. G 05-19

Columbia United Providers

CHIEF EXAMINER'S AFFIDAVIT

I hereby certify I have read the attached Report of the Financial Examination of Columbia United Providers of Vancouver, Washington. This report shows the financial condition and related corporate matters as of December 31, 2002.



Patrick H. McNaughton
Chief Examiner

4-28-2005

Date

TABLE OF CONTENTS

<u>INSTRUCTIONS</u>	1
<u>COMMENTS AND RECOMMENDATIONS</u>	2
<u>COMPANY PROFILE</u>	3
History.....	3
Territory And Plan Of Operation	3
Growth of Company	3
<u>AFFILIATED COMPANIES</u>	4
<u>MANAGEMENT AND CONTROL</u>	5
Ownership	5
Board of Directors	6
Officers.....	6
Conflict of Interest	6
Fidelity Bond and Other Insurance	7
Officers', Employees', and Agents' Welfare and Pension Plans	7
<u>CORPORATE RECORDS</u>	7
<u>LOSS EXPERIENCE</u>	7
<u>REINSURANCE</u>	8
<u>STATUTORY DEPOSITS</u>	8
<u>ACCOUNTING RECORDS AND INFORMATION SYSTEMS (IS)</u>	9
<u>SUBSEQUENT EVENTS</u>	9
<u>FOLLOW UP ON PREVIOUS EXAMINATION FINDINGS</u>	10
<u>FINANCIAL STATEMENTS</u>	10
Assets, Liabilities, Capital and Surplus	11
Statement of Revenue and Expenses	12
Reconciliation of Surplus Since the Last Examination	13
<u>NOTES TO THE FINANCIAL STATEMENTS</u>	14
<u>ACKNOWLEDGMENT</u>	15
<u>AFFIDAVIT</u>	16

SALUTATION

Seattle, Washington
April 28, 2005

The Honorable Mike Kreidler, Commissioner
Washington State Office of the Insurance Commissioner (OIC)
Insurance 5000 Building
5000 Capital Blvd.
Tumwater, WA 98504-0255

Dear Commissioner Kreidler:

In accordance with your instructions and in compliance with the statutory requirements of RCW 48.03.010, an examination was made of the corporate affairs and financial records of

Columbia United Providers

of

Vancouver, Washington

hereinafter referred to as "CUP" or the "Company," at the location of its home office, 19120 SE 34th Street, #201, Vancouver, WA. This report is respectfully submitted showing the condition of the Company as of December 31, 2002.

SCOPE OF THE EXAMINATION

This examination covers the period January 1, 1998 through December 31, 2002 and comprises a comprehensive review of the books and records of the Company. The examination followed the statutory requirements contained in the Washington Administrative Code (WAC), Revised Code of Washington (RCW), the guidelines recommended by the National Association of Insurance Commissioners (NAIC) Financial Condition Examiners Handbook (FCEH), and the Statement of Statutory Accounting Principles (SSAP) as contained in the NAIC's Accounting Practices and Procedures Manual (AP&P). The examination included identification and disposition of material transactions and events occurring subsequent to the date of examination that were noted during the examination. A limited scope target examination was performed on the Company as of May 20, 1996. The findings of the previous target examination report were reviewed and any items that were not satisfactorily addressed by the Company are discussed later in the report.

Corporate records, external reference materials, and various aspects of the Company's operating procedures and financial records were reviewed and tested during the course of this examination and are commented upon in the following sections of this report. In addition, the Company's certified public accountant's (CPA's) work papers were reviewed and utilized, where possible, to facilitate efficiency in the examination.

INSTRUCTIONS

The examiners reviewed the Company's filed 2002 NAIC Annual Statement as part of the statutory examination. This review was performed to determine if the Company completed the NAIC Annual Statement in accordance with NAIC Annual Statement Instructions and if its accounts and records were prepared and maintained in accordance with Title 48 RCW, Title 284 WAC, and the NAIC's Accounting Practices and Procedures Manual (AP&P). The following summarizes the exceptions noted while performing this review.

1. Claims Incurred and Paid Database

The fee-for-service pharmacy claims were not included in the claims runoff schedules as required by the NAIC Accounting Practices and Procedures Manual (AP&P), Appendix A-010, paragraph 27. Compilations of complete run off schedules are critical in the preparation of accurate quarterly and annual statement filings and the ability for management to recognize and react to negative trends in a timely fashion.

Pursuant to RCW 48.43.097, the Company is instructed to ensure that the claims runoff schedules and the general ledger balances for claims incurred and paid are

all inclusive, accurate and consistent as required by the NAIC Accounting Practices and Procedures Manual (AP& P), Appendix A-010, paragraph 27.

2. Filing of Amended Annual Statement

The Company filed an amended 2002 Annual Statement with the NAIC on May 14, 2003 based on the findings of KPMG LLP's audit of the 2002 NAIC Annual Statement. OIC records do not reflect that the Company requested an amended filing with the OIC. The following amendments were filed with the NAIC but not approved by the OIC:

- Reclassification of debit balances originally included in General Expenses Due and Accrued in the amount of \$115,837 to Aggregate Write-ins for other than Invested Assets, non-admitted, for prepaid rent and insurance.
- The amount of reinsurance ceded was included on the line description for Claims Unpaid which was omitted on the original filing which does not affect surplus.
- Adjusted Federal Income Tax Expense and Federal Income Tax Recoverable in the amount of \$43,124.

The amounts above that affect surplus are immaterial to the examination.

Pursuant to WAC 284-07-050(2), the Company is instructed to comply with SSAP No. 3(10) which states that corrections of errors in previously issued financial statements shall be approved by its domiciliary regulator and reported as adjustments to unassigned funds (surplus) in the period the error is detected.

COMMENTS AND RECOMMENDATIONS

1. Fidelity Bonding

The Company obtained an insurance policy with Assurance Company of America. The coverage included employee dishonesty in the amount of \$10,000 as well as forgery and alterations at \$10,000. The NAIC suggests a minimum level of fidelity bonding of \$500,000 to \$600,000 based on the Company's assets, premium income, and other income.

It is recommended that the Company increase its fidelity bonding to an appropriate level for its exposure and in line with the recommendations of the NAIC.

2. Business Contingency Plan

The Company does not have a formal, written Business Contingency Plan based on a business impact analysis; that has been tested, and addresses all significant business activities, including financial functions, telecommunication services, data processing and network services.

It is recommended that the Company prepare a formal, written Business Contingency Plan that addresses the continuation of all significant business activities, including financial functions, telecommunication services and data processing services, in the event of a disruption of normal business activities, as recommended by the NAIC.

COMPANY PROFILE

HISTORY

The Company was registered as a health care service contractor July of 1993 and commenced business on January 1, 1994 as Clark United Providers. Effective January 1, 2001, Clark United Providers, Inc. changed its name to Columbia United Providers. CUP operates solely in the state of Washington with no plans for expansion into other states. Seventy five percent of its premiums originate from the Healthy Options program, established by the state of Washington to provide managed health care benefits to certain Medicaid recipients. The rest of CUP's premiums originate from the Company's participation in the Basic Health Plan, administered by the state of Washington and provides managed health care benefits for qualifying Washington State residents. The Department of Social and Health Services, the administrator for Healthy Options, and the Health Care Authority, the administrator for Basic Health Plan, are responsible for enrolling members in the respective plans.

These state agencies are responsible for checking and verifying eligibility requirements, collecting any premium share due from the members, and assigning members to a health plan in the member's county. CUP receives wire transfers from these two state agencies each month based on the number of members enrolled. The Company contracts directly with various providers within its service area for the provision of medical and hospital services, pharmaceuticals and other related services. CUP reimburses these providers on a capitated or fee-for-service basis, depending on the negotiated contract.

TERRITORY AND PLAN OF OPERATION

CUP only conducts business in the state of Washington. The Company expanded its coverage area from Clark County to the adjacent counties of Cowlitz, Wahkiakum and Skamania in 2001. CUP has no plans for expansion of its coverage area into other states.

GROWTH OF COMPANY

The following schedules reflect the growth of the Company by year beginning in 1998. The amounts shown were compiled from the Company's filed NAIC Annual Statements.

Schedule 1

<u>Year</u>	<u>Admitted Assets</u>	<u>Liabilities</u>	<u>Capital & Surplus</u>
2002	\$18,442,521	\$10,691,685	\$7,750,836
2001	13,670,548	6,109,928	7,560,620
2000	10,307,472	3,714,065	6,593,407
1999	10,223,994	3,948,272	6,275,722
1998	8,630,146	3,825,363	4,804,783

Schedule 2

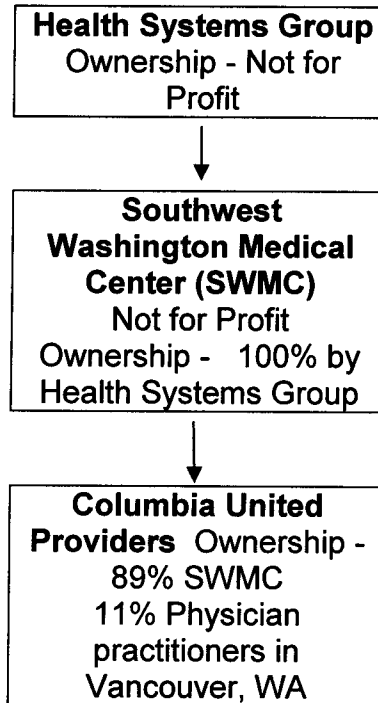
<u>Year</u>	<u>Premiums Earned</u>	<u>Underwriting Deductions</u>	<u>Underwriting Gain or (Loss)</u>	<u>Investment & Other Income</u>	<u>Pre-Tax Income</u>
2002	\$68,458,283	\$68,770,357	\$(312,074)	\$605,777	\$293,703
2001	59,774,942	58,827,584	947,358	720,475	1,667,833
2000	33,832,702	33,154,110	678,592	657,796	1,336,388
1999	26,202,378	24,330,324	1,872,054	551,823	2,423,877
1998	21,846,646	21,592,403	254,243	526,262	780,505

AFFILIATED COMPANIES

The Company is 89% owned by Southwest Washington Medical Center (SWMC) which is a not-for-profit hospital located in Vancouver, Washington. Southwest Washington Medical Center is wholly owned by Health Systems Group (HSG), a Washington not-for-profit corporation. The rest of the common stock of CUP is owned by physician practitioners located in the Vancouver, Washington area. The Company processes some claims for out of network vendors on behalf of Southwest Washington Medical Center, and deducts these amounts from its next month's capitation payments to SWMC.

Prior to July 1, 2001, CUP leased its employees from SWMC. These employees were covered under a noncontributory defined benefit pension plan sponsored by SWMC's parent, Health Systems Group. CUP commenced direct employment of these employees as of July 1, 2001, and established a defined contribution 401(k) plan. As of July 1, 2001, Cup Employees are no longer covered under the SWMC defined benefit pension plan.

Holding Company Organizational Chart



MANAGEMENT AND CONTROL

Ownership

As of December 31, 2002, there were 1,000,000 common shares authorized and 29,709 common shares outstanding. The shares are not actively traded. Management of the Company does not own any shares. SWMC, a non-profit hospital located in Vancouver, Washington, owns 89.5% of the CUP common stock currently outstanding. The Board of Trustees of SWMC approved the transfer of its interest in CUP to Health Systems Group as of October 1, 1998. However, the Company is required to file a change in control under RCW 48.31C.030. To date, no filing has been received by the OIC. Health Systems Group is a not-for profit corporation and owns 100% of SWMC. Health Systems Group and SWMC share the same board of trustees. Various physicians in the Vancouver, Washington area own the remaining common shares. There are a total of 27 shareholders. Capital and surplus as of December 31, 2002 was reported at \$7,750,836. CUP did not issue any dividends or surplus debentures/notes for the year ended December 31, 2002.

Board of Directors

The following directors served during 2002 (the year denotes when the director was elected to the CUP Board):

Harold Arlen Dengerink, Board Chair	1996
Steven John Oliva, Vice Chair	1996
Lisa Jo Morrison, MD, Secretary	1999
Eugene Glenn Johnson, Treasurer	1996
Charles Brian Bishop	1999
Jon Allen Shroyer	1997
George John Dechet, MD	1999
Donald Edward Newell, MD	1999
David Rene Ruiz, MD	1997
Thomas Clarence VanSweringen	1999
Geoffrey Neil Lang	1998
Robert William Gaubatz	2000

As of December 31, 2002, the Board had one committee, the Quality Improvement Committee. This committee was involved in programs such as reviewing member complaints and health management of its members. Board members who served on this committee were Harold Denerink, PHD, Donald Newell, MD and David Ruiz, MD.

Officers

President & Chief Executive Officer	Errol Erin Robert-Rourk Glynn
Chief Financial Officer	Ann Kristin Wheelock
Chairman	Harold Arlen Dengerink
Vice Chairman	Steven John Oliva
Secretary	Lisa Jo Morison, MD
Treasurer	Eugene Glenn Johnson
Independent Consulting Actuary	Sarah S. Plotkin

Conflict of Interest

Members of the governing board and administrators of CUP are required to complete a conflict of interest statement and questionnaire yearly. The chief financial officer reviews all conflict of interest statements. Due to the limited size of the Company, all significant transactions are brought to the attention of the executive team, including the chief financial officer who presents significant transactions and conflicts to the Board of Directors.

Fidelity Bond and Other Insurance

The Company has an insurance policy with Assurance Company of America for property, general liability, and general commercial liability as well as umbrella liability of \$2 million. Officers are adequately bonded for errors and omissions of up to \$5 million with a \$50,000 deductible. This level of coverage appears adequate for a company the size of CUP.

The Company had additional property coverage on its insurance policy with Assurance Company of America to cover employee dishonesty in the amount of \$10,000 with no deductible. Also, forgery and alterations are insured on this policy at \$10,000 with no deductible. The NAIC suggests a minimum level of fidelity bonding for the size of this company of at least \$500,000 to \$600,000. The Company has contacted its insurance agent to increase the total fidelity bonding to conform to the NAIC suggested minimum coverage. (See Comments and Recommendations No. 1)

Officers', Employees', and Agents' Welfare and Pension Plans

Columbia United Providers' 401(k) plan was adopted on July 1, 2001. Due to the small size of the Company, there are less than one hundred participants in the plan. Standard Insurance Company administers the plan. CUP received a favorable determination from the IRS on July 26, 2002 in regards to the 401(k) plan. A provision was made in the financial statements for the Company obligations under the 401(k) plan.

CORPORATE RECORDS

The Company was incorporated on July 23, 1993 and licensed as a health care service contractor in the state of Washington. An amendment to the Articles of Incorporation to change the name of the company from Clark United Providers, Inc., to Columbia United Providers was filed with the State of Washington Secretary of State on July 9, 2001. This name change resulted from the expansion of the Company's coverage area from Clark County into other near-by counties. The minutes of the meetings of stockholders, directors, and committees adequately approved and support the Company's transactions and events.

LOSS EXPERIENCE

CUP is licensed as a health care service contractor and is authorized to issue medical insurance benefits. CUP incurs two kinds of claim liabilities; capitation payments to the participating providers, and fee-for-service claim payments. According to provider contracts, the capitation payments are paid monthly on or before the incurred month, therefore, there are no unpaid capitation payment liabilities as of December 31, 2002. CUP has only two lines of business, the Basic Health Plan (BHP) and Medicaid (Healthy Options). Both BHP and Healthy Options are state contracts. The

Company's reserving philosophy and methodologies have been consistent for the past couple years. The 2001 and 2002 calendar year actual loss ratios according to Page 7 of the 2001 and 2002 NAIC Annual Statements are 88.3% and 89.7% respectively. These actual loss ratios are in line with industry norms.

The history of the claim liability adequacies and the work of the consulting actuary who estimated the claim liabilities, based on the 2001 and 2002 NAIC Annual Statements were reviewed. Actual claim liabilities were noted as conservative and had positive margins or redundancies. In the 2002 NAIC Annual Statement, the Company booked \$4,281,677 for claims unpaid as of December 31, 2002. The work papers provided by the Company's consulting actuary were reviewed. The reserves were found to be reasonable, and the methodology used by the consulting actuary was one that was prescribed by the American Academy of Actuaries.

REINSURANCE

The Company contracts with the state of Washington for two state-administered plans which have no coverage caps. According to the CFO, CUP has not had any claims in excess of \$500,000. The Company obtained reinsurance coverage underwritten by Internationale Nederlanden Group Reinsurance (ING Re) and ReliaStar Insurance Co. CUP cedes risk for all of its insured products to ING Re. CUP uses a broker/consultant in placing its reinsurance. Each year, the broker assists in the review of the reinsurance program, cost effective coverage levels, claims history, other products and the financial strength of any carriers considered. The contracts are based on a calendar year, and include coverage for inpatient hospital services, inpatient rehabilitation services, skilled nursing facility services, outpatient health services and physician services. CUP did not assume any reinsurance risk. The contract provides for the following coverages:

Limit:	90% of Loss up to \$1 million per member per year and \$2 million lifetime maximum per member	
Excess:	Hospital	\$75,000
	Professional	\$12,500

STATUTORY DEPOSITS

The Company has a certificate of deposit held in trust for the OIC by U.S. Bank as the custodian in the amount of \$454,264 as of December 31, 2002. RCW 48.44.030 requires a health care service contractor to place securities on deposit with the state of Washington in the amount equal to the greater of \$150,000 or the amount necessary to cover Incurred But Unpaid Reimbursements. CUP is in compliance with the code mentioned above.

ACCOUNTING RECORDS AND INFORMATION SYSTEMS (IS)

The Company maintains its accounting records on a Generally Accepted Accounting Principles (GAAP) modified accrual basis of accounting and adjusts to a SSAP basis for NAIC Annual Statement reporting. CUP utilizes Microsoft Access for its in-house accounting system to collect data for NAIC Annual Statement reporting purposes. Excel files are also utilized for general ledger accounting. The processing of accounting records was evaluated by the independent audit firm of KPMG LLP. Various controls were checked to determine if CUP had appropriate methods for recording its accounting activities. Appropriate internal controls, separation of duties, compilations and reconciliations were present based the KPMG LLP's audit of the 2002 records supporting the corresponding NAIC Annual Statement.

The management of CUP is sufficiently knowledgeable of the IS process. Systems development, acquisition and maintenance controls were evaluated to gain assurance that appropriate controls are in place for a company the size of CUP.

Operations and application controls were reviewed to determine the type of hardware installed; operating systems and proprietary software in use; back up and recovery facilities employed and the controls exercised to maintain data security. The Company utilizes the services of an outside data processing provider IDX Systems Corporation (IDX), on a time-share basis, for financially significant application processing. The service provider is responsible for maintaining applications and provides operational support. Sufficient internal controls are in place and monitored by the Company. It is recommended the Company prepare a formal, written Business Contingency Plan to address the continuation of all significant business activities, including financial functions, telecommunication services and data processing services, in the event of a disruption of normal business activities, as recommended by NAIC Guidelines. (See Comments and Recommendations No. 2)

SUBSEQUENT EVENTS

Columbia United Providers is required by RCW 48.44.030 to have an indemnity bond in order to maintain its certificate of registration as a health care service contractor in Washington. Safeco Insurance Company of America, an authorized insurer that issued CUP a surety bond in the amount of \$300,000, cancelled the bond on February 8, 2002. On April 26, 2002, the OIC sent CUP a Notice of Intent to suspend its certificate of registration for doing business without underwriting its indemnity by any of the three methods authorized by RCW 48.44.030. On April 26, 2002, OIC received from CUP a Depository Agreement signed by representatives of CUP and U.S. Bank, to set up a deposit of cash or securities as authorized by RCW 48.44.030. Pursuant to RCW 48.44.166, the OIC issued Consent Order No. D-2002-139, and imposed a fine of \$10,000 on CUP. Nine thousand seven hundred fifty dollars of this amount was suspended for a period of five years. If CUP violates the statute or regulations stipulated

above within the five year period, the entire amount of the fine will be recovered and CUP's certificate of registration will be revoked.

FOLLOW UP ON PREVIOUS EXAMINATION FINDINGS

Instructions and Comments from the prior target examination report as of May 20, 1996 have been addressed by the Company.

FINANCIAL STATEMENTS

The following examination financial statements show the financial conditions of Columbia United Providers as of December 31, 2004.

Statement of Assets and Liabilities

Statement of Operations

Five Year Reconciliation of Surplus for the Years Ended December 31, 2002

Analysis of Changes in Financial Statements Resulting from the Examination

Columbia United Providers
ASSETS, LIABILITIES, CAPITAL AND SURPLUS
DECEMBER 31, 2002

	BALANCE PER COMPANY	REF	EXAM ADJ	BALANCE PER EXAM
Assets				
Bonds	\$8,065,162			\$8,065,162
Stocks:				
Preferred stocks	-			-
Common stocks	494,238			494,238
Cash and short-term investments	7,302,128			7,302,128
Subtotal, cash and invested assets	\$15,861,528		\$0	\$15,861,528
Investment income due and accrued	149,545			149,545
Accident and health premiums due and unpaid	778,529			778,529
Reinsurance:				
Amounts recoverable from reinsurers	350,000			350,000
Current federal and foreign income tax recoverable and interest thereon	426,163			426,163
Health Care Receivables	262,043			262,043
Receivables from parent, subsidiaries, and affiliates	614,713			614,713
Total assets	\$18,442,521		\$0	\$18,442,521
Liabilities, Capital and Surplus				
Claims unpaid	\$4,281,677			\$4,281,677
Unpaid claims adjustment expense	306,974			306,974
Premiums received in advance	4,726,376			4,726,376
General expenses due or accrued	669,213			669,213
Amounts due to parent, subsidiaries, and affiliates	109,002			109,002
Aggregate write-ins for liabilities	598,443			598,443
Total Liabilities	\$10,691,685		\$0	\$10,691,685
Common capital stock	29,709			29,709
Aggregate write-ins for other than special surplus funds	3,000,000			3,000,000
Unassigned funds (surplus)	4,721,127			4,721,127
Total capital and surplus	7,750,836		\$0	7,750,836
Total liabilities, capital and surplus	\$18,442,521		\$0	\$18,442,521

Columbia United Providers
STATEMENT OF REVENUE AND EXPENSES
DECEMBER 31, 2002

	BALANCE PER COMPANY	REF	EXAM ADJ	BALANCE PER EXAM
Net premium income	\$68,458,283		\$0	\$68,458,283
Total revenues	\$68,458,283		\$0	\$68,458,283
Hospital and Medical:				
Hospital/medical benefits	52,180,552			52,180,552
Emergency room and out-of-area	1,038,642			1,038,642
Prescription Drugs	6,276,815			6,276,815
Aggregate write-ins for other hospital and medical	1,929,333			1,929,333
Subtotal:	\$61,425,342		\$0	\$61,425,342
Less:				
Net reinsurance recoveries	\$0		\$0	\$0
Total medical and hospital	61,425,342		-	61,425,342
Claim adjustment expenses	2,309,734		-	2,309,734
General administrative expenses	5,035,281		-	5,035,281
Total Underwriting deductions	68,770,357		-	68,770,357
Net underwriting gain or loss	(312,074)		-	(312,074)
Net investment income earned	470,536		-	470,536
Net realized capital gains or (losses)	(190,260)		-	(190,260)
Net investment gains or (losses)	280,276		-	280,276
Aggregate write-ins for other income or expenses	325,501		-	325,501
Net income or (loss) before federal income taxes	293,703		-	293,703
Federal and foreign income taxes incurred	99,858		-	99,858
Net income (loss)	\$193,845		\$0	\$193,845

Columbia United Providers
FIVE YEAR RECONCILIATION OF SURPLUS
FOR THE YEARS ENDED DECEMBER 31

	2002	2001	2000	1999	1998
Capital and surplus, December 31, previous	<u>\$ 7,560,620</u>	<u>\$ 6,593,407</u>	<u>\$ 6,275,722</u>	<u>\$ 4,804,783</u>	<u>\$ 4,176,490</u>
Net income	193,845	1,100,945	823,172	1,599,759	515,133
Net unrealized capital gains or (losses)	46,146	(64,801)	(169,859)	-	-
Change in nonadmitted assets	<u>(49,775)</u>	<u>(68,931)</u>	<u>(335,628)</u>	<u>(128,820)</u>	<u>113,160</u>
Change in surplus as regards policyholders for the year	<u>190,216</u>	<u>967,213</u>	<u>317,685</u>	<u>1,470,939</u>	<u>628,293</u>
Surplus as regards policyholders, December 31, current year	<u>\$ 7,750,836</u>	<u>\$ 7,560,620</u>	<u>\$ 6,593,407</u>	<u>\$ 4,804,783</u>	

NOTES TO THE FINANCIAL STATEMENTS

The Company has no special consents, permitted practices or orders from the state of Washington and there were no examination adjustments.

ACKNOWLEDGMENT

Acknowledgment is hereby made of the cooperation extended to the examiners by the officers of Columbia United Providers during the course of this examination.

In addition to the undersigned, Michael Jordon, CPA, CFE, MHP, Assistant Chief Examiner; John Jacobson, AFE, IS Specialist; John Gaynard, CPA, CFE, CPCU, Reinsurance Specialist; Mike Bosley, CPA; Friday Enoye, Insurance Examiner, and Lichiou Lee, ASA, MAAA, Health Actuary all from the Washington State Office of the Insurance Commissioner, participated in the examination and the preparation of this report.

Respectfully submitted,

A handwritten signature in cursive script that reads "Carl M. Baker". The signature is written in dark ink and is positioned above a horizontal line.

Carl M. Baker, CPA, CISA, CFE
Examiner-in-Charge
State of Washington

AFFIDAVIT

STATE OF WASHINGTON

}

} ss

COUNTY OF KING

}

Carl M. Baker, being duly sworn, deposes and says that the foregoing report subscribed is true to the best of his or her knowledge and belief.

He attests that the examination of Columbia United Providers was performed in a manner consistent with the standards and procedures required or prescribed by the Washington State Office of the Insurance Commissioner and the National Association of Insurance Commissioners (NAIC).



Carl M. Baker, CPA, CISA, CFE

Examiner-in-Charge

State of Washington

Subscribed and sworn to before me this 28th day of April, 2005.



Notary Public in and for the
State of Washington.

